



# MEMORANDUM

Agenda Item No. 9(E)(1)(B)

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**TO:** Honorable Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:** George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", is written over the printed name of George M. Burgess.

**SUBJECT:** Application for Industrial  
Development Revenue  
financing for Friends of  
Lubavitch, Inc.

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The attached item (Friends of Lubavitch, Inc.) has been placed on the March 16, 2004 County Commission Agenda at the request of the Chairman of the Miami-Dade County Industrial Development Authority.

MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. DATE: March 16, 2004  
and Members, Board of County Commissioners

FROM: Albert Morrison, Jr., Chairman  
Miami-Dade County  
Industrial Development Authority

SUBJECT: Application for Industrial  
Development Revenue  
financing for Friends  
of Lubavitch, Inc.



RECOMMENDATION

It is recommended that the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for Friends of Lubavitch, Inc., as detailed in the attached reports.

BACKGROUND

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached reports.

Friends of Lubavitch, Inc., a Florida not-for-profit corporation with facilities located at 1140 Alton Road, in the City of Miami Beach and 17330 NW 7<sup>th</sup> Avenue, unincorporated Miami-Dade County, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$10,000,000. The bond issue proceeds, which will be guaranteed by a letter of credit from a rated financial institution, will be used primarily to refinance existing debt of the Company incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational programs located at 17330 NW 7<sup>th</sup> Avenue in unincorporated Miami-Dade County, Florida (the "Cloverleaf Campus"); as well as to finance the acquisition of additional furnishings and equipment and construction of a playground at the Cloverleaf Campus; refinance existing debt incurred to develop the Company's existing Rabbinical College located at 1140 Alton Road, City of Miami Beach, and to pay certain bond issuance costs. Friends of Lubavitch, Inc. reports it currently employs approximately 100 persons at its new campus facility and project completion of the proposed project will assist the school maintain its current employment level. In addition, the development of its new campus will allow the school to increase its enrollment from the current 550 students to 800 students.



Assistant County Manager

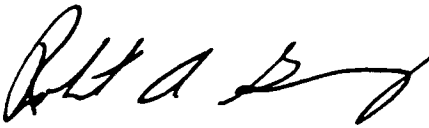


# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:**   
Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No9(E)(1)(B)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 9(E)(1)(B)  
3-16-04

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE  
COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN  
AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE  
CAPITAL PROJECT FOR BENEFIT OF FRIENDS OF  
LUBAVITCH, INC. FOR PURPOSES OF AND PURSUANT  
TO SECTION 147(F) OF INTERNAL REVENUE CODE OF  
1986, AS AMENDED.

WHEREAS, Friends of Lubavitch, Inc., a Florida not-for-profit corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue not exceeding \$10,000,000 aggregate principal amount of its Industrial Development Revenue Bonds (Friends of Lubavitch, Inc. Project) (the "Bonds"), the proceeds of which will be used to: (i) refinance existing debt of the Company incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational program located at 17330 N.W. 7<sup>th</sup> Avenue in unincorporated Miami-Dade County, Florida (the "Cloverleaf Campus"); (ii) finance the acquisition of additional furnishings and equipment and construction of a playground at the Cloverleaf Campus; (iii) refinance existing debt incurred to develop the Company's existing Rabbinical

College located at 1140 Alton Road, City of Miami Beach, Florida; and (iv) pay costs related to the issuance of the Bonds (the "Project"); and

WHEREAS, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority, (a copy of which is attached hereto as Exhibit A); and

WHEREAS, on Monday, January 26, 2004, the Authority held a public hearing, notice of which was published on Monday, January 12, 2004 in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, after reviewing a copy of the transcript of the Authority's public hearing held on Monday, January 26, 2004, in respect of the Bonds, (a copy of which transcript is attached hereto as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board

desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code.,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The issuance of Industrial Development Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$10,000,000 for the purpose of financing all or a portion of the costs of the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner  
, who moved its adoption. The motion was  
seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly  
passed and adopted this 16th day of March, 2004. This  
resolution shall become effective ten (10) days after the date  
of its adoption unless vetoed by the Mayor, and if vetoed, shall  
become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. HWW.

By: \_\_\_\_\_  
Deputy Clerk

Howard W. Whitaker

HWW.

# FRIENDS OF LUBAVITCH, INC.

## THE COMPANY

Friends of Lubavitch, Inc. (Friends) and affiliates are 501(c)(3) not-for-profit corporations with facilities located at 1140 Alton Road, in the City of Miami Beach and 17330 NW 7<sup>th</sup> Avenue, unincorporated Miami-Dade County. Friends has operated independent, nondenominational, non-discriminatory schools with open enrollment for students from pre-school through Rabbinical College, as well as providing educational opportunities for Head Start children with learning disabilities at the Miami Beach location since 1960.

In March 2003, Friends purchased the property located in the vicinity of the Golden Glades Interchange in an area called Cloverleaf, at 17330 NW 7<sup>th</sup> Avenue, unincorporated Miami-Dade County. The existing facility, which had been operated as a medical office building, has been converted into an educational facility. Friends reports it has moved its pre-school through high school and learning disabilities educational programs and approximately 550 students to the new campus. The Rabbinical College with an enrollment of 60 students will continue to be operated at the Miami Beach location. Friends also reports it is fully accredited by Merkos L'inyonei Chinuch, a nationally recognized accrediting agency.

## THE PROJECT

Friends of Lubavitch, Inc. is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed \$10,000,000, primarily to facilitate the refinancing of existing debt resulting from the acquisition, rehabilitation, expansion and equipping of its recently acquired property located in the Cloverleaf area; as well as to finance the acquisition of additional furnishings and equipment and the construction of a playground. Existing debt relating to the development of its Miami Beach educational property will also be refinanced.

### **Elements of the proposed project include:**

1. **Refinancing existing debt resulting from the acquisition, rehabilitation, expansion and equipping of the new campus property to include dining room, auditorium, thirty-five classrooms, three recreational rooms, two computer rooms, science lab, administrative offices, remedial and therapy rooms, a covered pavilion and four elevator towers to permit handicap access: -----\$6,918,000**

<i>A. Initial Acquisition of 8 acres and 87,000 sq. ft. facility</i>	-----	\$3,460,700
<i>B. Rehabilitation and Expansion of 87,000 sq. ft. facility</i>	-----	\$2,924,800
<i>C. Equipment and furnishings already purchased</i>	-----	\$ 42,500
<i>D. Additional furnishings and equipment</i>	-----	\$ 90,000
<i>E. Playground Construction</i>	-----	\$ 400,000
  
2. **Refinancing existing debt related to development of Miami Beach properties: -----\$2,882,000**



**FINANCIAL SUFFICIENCY**

Audited financial statements for Friends of Lubavitch, Inc. for the fiscal years ended June 30, 2003, 2002, 2001, and 2000 have been provided.

A review of the submitted financial and related information indicates:

**SOURCE OF FUNDS**

**USE OF FUNDS**

Bond Issue Proceeds*	\$10,000,000	Acquisition Cost of Land and Building	\$3,460,700
		Rehabilitation and Expansion of Existing Building	2,924,800
		Furnishings and Equipment Purchased	42,500
		Additional Furnishings and Equipment	90,000
		Playground Construction	400,000
		Miami Beach Existing Indebtedness	2,882,000
		Bond Issuance Expenses	200,000
<b>TOTAL</b>	<b><u>\$10,000,000</u></b>	<b>TOTAL</b>	<b><u>\$10,000,000</u></b>

\* Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by the corporation.

**Information relative to the proposed financial structure includes:**

Financial Structure:	Corporate Debt.
Security:	First mortgage on all assets financed with bond proceeds.
Guarantee:	Letter of Credit from a rated financial institution acceptable to the Authority.
Marketing:	Private placement.

### **LEGAL**

Facilities for 501(c)(3) corporations remain eligible for financing and refinancing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. Pursuant to House Bill 1793, the 1998 Florida Legislature approved the amendment of the Florida Industrial Development Financing Act's definition of projects to include property that comprises the buildings, equipment, structures, and special education use areas that are built, installed, or established to serve primarily the educational purposes of operating any nonprofit private preschool, kindergarten, elementary school, middle school or high school that is established under chapter 617 or chapter 623 of the Florida Statutes or that is owned or operated by an organization described in s. 501(c)(3) of the United States Internal Revenue Code.

Bonds issued for the benefit of a 501(c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap. No issuance allocation is required.

### **ECONOMIC IMPACT**

Friends reports it currently employs 100 persons at its new campus facility and completion of the proposed project will assist the school maintain its current employment level. In addition, the development of its new campus will allow the school to increase its enrollment from the current 550 students to 800 students.

In addition to benefiting the local construction industry, completion of the project will have a positive impact upon the general welfare of the citizens of Miami-Dade County, will enrich the educational and cultural experiences of its students, as well as support the revitalization of the Cloverleaf area.

18A | MONDAY, JANUARY 12, 2004 A



**MIAMI-DADE COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY  
TEFRA/PUBLIC HEARING**

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested to issue its Industrial Development Revenue Bonds for the following capital projects:

**Florida Grand Opera, Inc. project** in a maximum principal amount not to exceed \$25,000,000 (the "Bonds"), the proceeds of which will be used by The Florida Grand Opera, Inc. ("Florida Grand Opera"), a 501(c)(3) not-for-profit corporation, to provide financing for the construction and equipping of the proposed James Byrd Anderson Opera Center (approximately 230,000 sq. ft.), including a parking facility (the "Project"), and for the payment of the costs of issuance of the Bonds. The Project will be located at 1411 NE 2<sup>nd</sup> Avenue in the City of Miami, Florida. The Project will be owned by Florida Grand Opera.

**Friends of Lubavitch of Florida, Inc. project** in a maximum principal amount not to exceed \$10,000,000 (the "Bonds"), the proceeds of which will be used by Friends of Lubavitch of Florida, Inc., a Florida not-for-profit corporation (the "Company") to: (i) refinance existing debt of the Company incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational program located at 17330 N.W. 7th Avenue in unincorporated Miami-Dade County, Florida (the "Cloverleaf Campus"); (ii) finance the acquisition of additional furnishings and equipment and construction of a playground at the Cloverleaf Campus; (iii) refinance existing debt incurred to develop the Company's existing Rabbinical College located at 1140 Alton Road, City of Miami Beach, Florida; and (iv) pay costs related to the issuance of the Bonds (collectively, the "Project"). The Project will be owned and operated by the Company.

**Titan America LLC applying on behalf Tarmac America LLC and Pennsuco Cement Company LLC project** in a maximum principal amount not to exceed \$60,000,000 (the "Bonds"), the proceeds of which will provide financing for the construction and equipping of (i) the conversion, improvement, renovation and equipping of a cement plant, which process includes the collection, storage, treatment, recycling and disposal of solid waste, located at 11000 NW 121st Way in the town of Medley, Florida in Miami-Dade County (known as the "Pennsuco Plant"), and (ii) to pay for certain bond issuance costs (the "Project"). The Project will be owned and operated by Titan America LLC, a Delaware limited liability company (the "Company") and/or its subsidiaries Tarmac America LLC and Pennsuco Cement Company LLC.

**Waste Management, Inc. applying on behalf of Waste Management Inc. of Florida project** in a maximum principal amount not to exceed \$21,000,000 (the "Bonds"), the proceeds of which will be used to finance (i) construction of a new building and improvements to existing facilities at the Company's solid waste disposal facility located at 5000 N.W. 37th Avenue, in the City of Miami, Florida; (ii) landfill development costs for the Company's landfill located at 9350 N.W. 89th Avenue, in the Town of Medley, Florida consisting of landfill cell construction and liners, leachate and methane gas systems and related equipment, and improvements to existing facilities located at this site; (iii) the acquisition of collection and support vehicles, solid waste containers and related equipment for use in connection with the Company's solid waste disposal facility located at 2125 N.W. 10th Court, in the City of Miami, Florida, and improvements to existing facilities located at this site; and (iv) costs related to the issuance of the Bonds (collectively, the "Project"). The Project will be owned and operated by Waste Management, Inc. and/or its subsidiary, Waste Management Inc. of Florida.

The Bonds shall not be a debt, liability or obligation of the Authority or of Miami-Dade County, Florida, or of the State of Florida, or of any political subdivision thereof, but shall be payable solely from payments derived from the operations of the Facilities or the security instruments for the Bonds.

Please take note that the Authority will hold a public hearing on these Projects and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on **Monday, January 26, 2004** commencing at **11:00 a.m.** or shortly thereafter, at which time any person may be heard regarding the proposed issuance of said Bonds and the projects. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

# MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

## TRANSCRIPT OF PUBLIC HEARING

**MONDAY, JANUARY 26, 2004**

At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr. <i>Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Director of Operations</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Administrative Assistant</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Richard Freshwater <i>Director of Adm. &amp; Finance</i>	Florida Grand Opera, Inc.	1200 Coral Way Miami, Florida 33145
Rabbi Benzion Korf <i>Executive Director</i>	Friends of Lubavitch, Inc.	1140 Alton Road Miami Beach, Florida 33139
Al Townsend <i>Director of Real Estate</i>	Titan America, LLC	455 Fairway Drive Deerfield Beach, Florida 33441
Joe Ruiz <i>Vice President</i>	Waste Management, Inc.	2125 NW 10 Court Miami, Florida 33127

**Executive Director**

We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital projects located in Miami-Dade County.

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing following reasonable public notice.

We have received a copy of a notice advising that the Industrial Development Authority will hold a public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the projects mentioned in that notice. The notice appeared in The Miami Herald on Monday, January 12, 2004, page 18A.

We will now commence the public hearing. The hearing will be conducted in the following format: First, a brief synopsis of the proposed bonds and the project will be provided. Second, testimony from anyone desiring to speak will be heard. Anyone wishing to speak should give their name and address for the record.

The first project for consideration is an Industrial Development Authority Revenue Bond issue for the Florida Grand Opera, Inc. project in a maximum principal amount not to exceed \$25,000,000. The bond proceeds will be used by the Florida Grand Opera, Inc. to provide financing for the construction and equipping of the proposed James Byrd Anderson Opera Center, including a parking facility, and for the payment of the costs of issuance of the Bonds. The project will be located at 1411 NE 2<sup>nd</sup> Avenue in the City of Miami, Florida and owned by Florida Grand Opera, Inc.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Richard Freshwater, is in attendance representing the applicant. Mr. Freshwater is there anything you would like to add?

**Representative**

There is not.

**Executive Director** The second project for consideration is an Industrial Development Revenue Bond issue for Friends of Lubavitch, Inc. in a maximum principal amount not to exceed \$10,000,000. The bond proceeds will be used to refinance existing debt incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational program located at 17330 NW 7<sup>th</sup> Avenue in unincorporated Miami-Dade County, Florida; as well as finance the acquisition of additional furnishings and equipment and construction of a playground; refinance existing debt incurred to develop the Company's existing Rabbinical College located at 1140 Alton Road, City of Miami Beach, Florida; and pay costs related to the issuance of the Bonds. The Project will be owned and operated by the Company.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Rabbi Benzion Korf, is in attendance representing the applicant. Rabbi Korf is there anything you would like to add?

**Representative** No, thanks.

**Executive Director** The third project for consideration is an Industrial Development Authority Revenue Bond issue for the Titan America LLC applying on behalf of Tarmac America LLC and Pennsuco Cement Company LLC project in a maximum principal amount not to exceed \$60,000,000. The bond proceeds will provide financing for the conversion, improvement, renovation and equipping of a cement plant, which process includes the collection, storage, treatment, recycling and disposal of solid waste, located at 11000 NW 121<sup>st</sup> Way in the Town of Medley, Florida in Miami-Dade County, and to pay for certain bond issuance costs. The Project will be owned and operated by Titan America LLC, a Delaware limited liability company and/or its subsidiaries Tarmac America LLC and Pennsuco Cement Company LLC.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Al Townsend, is in attendance representing the applicant. Mr. Townsend is there anything you would like to add?

**Representative**

No comment.

**Executive Director**

The last project for consideration is a Solid Waste Disposal Revenue Bond issue for Waste Management Inc. applying on behalf of Waste Management Inc. of Florida in a maximum principal amount not to exceed \$21,000,000. The bond proceeds will be used to facilitate the construction of a new building and improvements to existing facilities at the Company's solid waste disposal facility located at 5000 NW 37<sup>th</sup> Avenue, in the City of Miami, Florida; landfill development costs for the Company's landfill located at 9350 NW 89<sup>th</sup> Avenue, in the Town of Medley, Florida consisting of landfill cell construction and liners, leachate and methane gas systems and related equipment, and improvements to existing facilities located at this site; the acquisition of collection and support vehicles, solid waste containers and related equipment for use in connection with the Company's solid waste disposal facility located at 2125 NW 10<sup>th</sup> Court, in the City of Miami, Florida, and improvements to existing facilities located at this site; and costs related to the issuance of the Bonds. The Projects will be owned and operated by Waste Management, Inc. and/or its subsidiary, Waste Management Inc. of Florida.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Joe Ruiz, is in attendance representing the applicant. Mr. Ruiz is there anything you would like to add?

**Representative**

No, thank you.

**Executive Director**

This concludes the public hearing scheduled for today. These projects, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners at a regular meeting, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.